



1400 South 19th Avenue
Bozeman, MT 59718
February 27, 2019

Ladies and Gentlemen:

The enclosed Environmental Assessment (EA) has been prepared to purchase a perpetual easement from the Montana Department of Natural Resources and Conservation (DNRC) for approximately 27 acres of Montana School Trust Land on Dailey Lake in order to establish permanent access to Dailey Lake Fishing Access Site (FAS).

Montana Fish, Wildlife & Parks invites you to comment on the attached proposal. The public comment period will be accepted until 5:00 p.m. March 29, 2019. Comments should be sent to the following:

Jay Pape
FAS Manager
1400 S 19th Avenue
Bozeman, MT 59718

Or e-mail to jpape@mt.gov

Sincerely,

Mark Deleray
Region Three Supervisor

Attachment



Montana Fish, Wildlife & Parks

PO Box 200701 Helena, MT 59620-0701
(406) 444-9947

ENVIRONMENTAL ASSESSMENT CHECKLIST

PART I. PURPOSE OF AND NEED FOR ACTION

1. Project Title: Dailey Lake Fishing Access Site Proposed Perpetual Easement

2. Type of Proposed Action:

Montana Fish, Wildlife & Parks (FWP) proposes to purchase a perpetual easement from the Montana Department of Natural Resources and Conservation (DNRC) for approximately 27 acres of Montana School Trust Land on Dailey Lake in order to establish permanent access to Dailey Lake Fishing Access Site (FAS).

3. Location Affected by Proposed Action:

Dailey Lake FAS is located on Dailey Lake 8 miles south of Emigrant and 17 miles north of Gardner, Montana and about 2 miles east of US Highway 89, Park County in S1/2 Section 36, Township 6 South, Range 7 East.

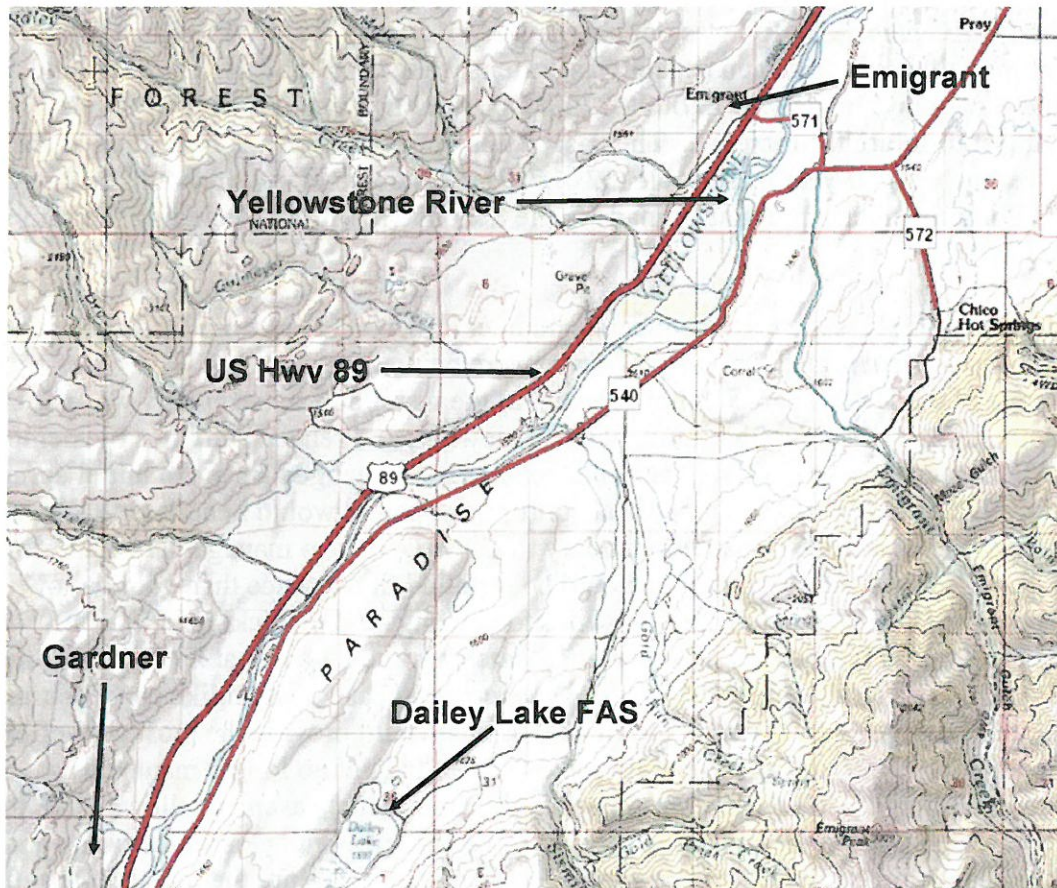


Figure 1 – General Location of Dailey Lake FAS, Emigrant, Montana.

4. Agency Authority for the Proposed Action:

ARM 12.8.602 requires the Department to consider the wishes of the public, the capacity of the site for development, environmental impacts, long-range maintenance, protection of natural features, and impacts on tourism as these elements relate to development or improvement to fishing access sites or state parks. This document will illuminate the facets of the Proposed Action in relation to this rule.

5. Need for the Action(s):

FWP first entered into an agreement with DNRC in 1931 to manage 122-acres of State School Trust Land at Dailey Lake for recreational purposes. In 1970 the State Land Board “set aside” the property as a designated FAS. Throughout this time FWP made improvements to the recreational facilities on the site, including developing a campground. This arrangement continued until 1996 when FWP entered into a 20-year lease with DNRC. State laws governing the recreation use of School Trust Land required compensation to the School Trust thereby establishing an annual lease fee of \$2,767 based on local property values. From 1998 through 2018 the lease fees gradually increased from the initial \$2,767 to \$8,873 annually. Based on a reexamination of land values in the Paradise Valley, the new lease fee was set at \$19,611 for 2018 and would escalate up to \$23,437 per year over the next 10-year period. At this new rate, FWP would be paying \$214,737 in annual lease fees for the next ten-year term of the lease. FWP does not feel that continuing to lease the land from DNRC is the most economical option available and also believes that a lease leaves FWP vulnerable to continued rising land values in the Paradise Valley and subsequent future increases in lease fees.

Due to the rising cost of the lease, FWP staff evaluated several alternatives. The first alternative was not renewing the lease with DNRC and developing camping on the 242-acres of land that FWP owns in fee title on the east and south boundaries of the lake (Figure 2). It should be noted that at the time FWP developed camping on the DNRC parcel, DNRC was not charging FWP a lease fee. FWP estimates the cost for developing camping of similar size and capacity as currently exists on the DNRC leased land, on the FWP property, would cost approximately \$175,000 - \$200,000. Although expensive, it would be a one-time cost that wouldn't be subject to future fee increases. The cost of this option was also comparative to the cost of the new DNRC lease over the next 10-year lease cycle (\$214,737) (See table below). It should be noted that under this alternative, FWP improvements previously made to the School Trust Land, including the campground, would be forfeited to DNRC.

The second alternative discussed was to reduce the number of acres leased from DNRC. Of the 122-acres currently leased, it was determined that only 27-acres were being managed by FWP as part of the FAS. The remaining acreage of the DNRC parcel is not adjacent to the water and subsequently was not developed but does receive some use associated with hiking, wildlife viewing, and related activities by members of the public visiting the FAS. Management objectives for both agencies have changed since the initial agreements were made and both DNRC and FWP have agreed that splitting the parcel would benefit both Departments. FWP has agreed to fence the 27-acre FAS parcel boundary to allow DNRC to manage the balance of the 122-acres for grazing (Figure 2 & 3). Pedestrian passes would be installed in the fence that would allow the public to continue to access the DNRC parcel for hiking, wildlife viewing, and picnicking. FWP and DNRC subsequently agreed to FWP acquiring a perpetual easement on the 27-acres at DNRC's full market appraised value of \$4,000/acre for a total value of \$108,000. The perpetual easement, unlike conservation easements, is without restrictions or covenants. It was determined that this would provide the most cost-effective alternative. It also would not result in the loss of any public access since the land no longer managed as part of the FAS will continue to remain in DNRC ownership. Importantly, a perpetual easement allows FWP to pay a one-time fee for the property that will not be subject to increasing land values in the Paradise Valley and subsequent annual fee increases. Doing so would secure public access for the FAS into the foreseeable future. A summary of these costs and savings for the two alternatives and no action are shown below.

Lease Fees Paid for Dailey Lake FAS to Date	\$122,295
Alternative A (Proposed Alternative) - Obtain a Perpetual Easement on DNRC School Trust Land	
Cost of Permanent Easement	\$108,000
Alternative B - Develop New Campground on FWP Land and Discontinue DNRC Lease	
Cost to Develop a New FAS and Campground	\$175,000 - \$200,000
Alternative C (No Action) - Continue to Pay Increased DNRC Lease Fees	
New DNRC Lease Fees for 2018-2028	\$215,000
FWP Savings of Proposed Alternative - Perpetual Easement	\$107,000

6. Objectives for the Action(s):

The objective of the proposed project is to establish a perpetual easement on DNRC School Trust Land that would provide permanent recreational access for camping and boating at the north end of the Dailey Lake FAS.

7. Project Size: estimate the number of acres that would be directly affected:

The proposed project involves placing a perpetual easement on approximately 27 acres of Montana School Trust Land on Dailey Lake, adjacent to Dome Mountain Wildlife Management Area (WMA) and 8 miles south of Emigrant, Montana.

8. Affected Environment (A brief description of the affected area of the proposed project):

Dailey Lake FAS is located on 27 acres of Montana School Trust Land owned by DNRC along Dailey Lake near Emigrant, Montana. The proposed purchase of a perpetual easement would have no impact on the natural or social resources on the site. The Montana Natural Heritage Program (MNHP) identified a 5-acre emergent wetland along an unnamed creek that runs through the center of the site. Based on a search of the U.S. Natural Resources Conservation Service (NRCS) website, there are no Prime Farmlands included within the FAS boundaries. The site does not provide critical habitat for any wildlife or plant species. A search of the MNHP element occurrence database indicated occurrences of bald eagle (listed as DM by the US Fish and Wildlife Service (USFWS)) and grizzly bear (listed as PS: LT; XN; DM by USFWS) have been observed in the vicinity of the FAS. Great blue heron, trumpeter swan, gray wolf, and Merriam's shrew, Montana animal Species of Concern, were also observed within the vicinity of the project area. The proposed purchase would have no impact on these species because the project area is small and does not provide preferred habitat for these Species of Concern. Common wildlife species that use Dailey Lake FAS include white-tailed and mule deer, elk, moose, black bear, mountain lion, red fox, coyote, gray wolf, bald eagle, and osprey. A wide variety of resident and migratory bird species use or travel through the area on a seasonal basis, including a variety of waterfowl and songbirds. Common game fish found in Dailey Lake include Yellowstone cutthroat trout, rainbow trout, walleye, yellow perch, longnose sucker, white sucker, and brook stickleback. The proposed purchase would not impact these species because the site is already highly disturbed by heavy recreational use of Dailey Lake FAS and Dome Mountain WMA, nearby agriculture, and the project area is small.

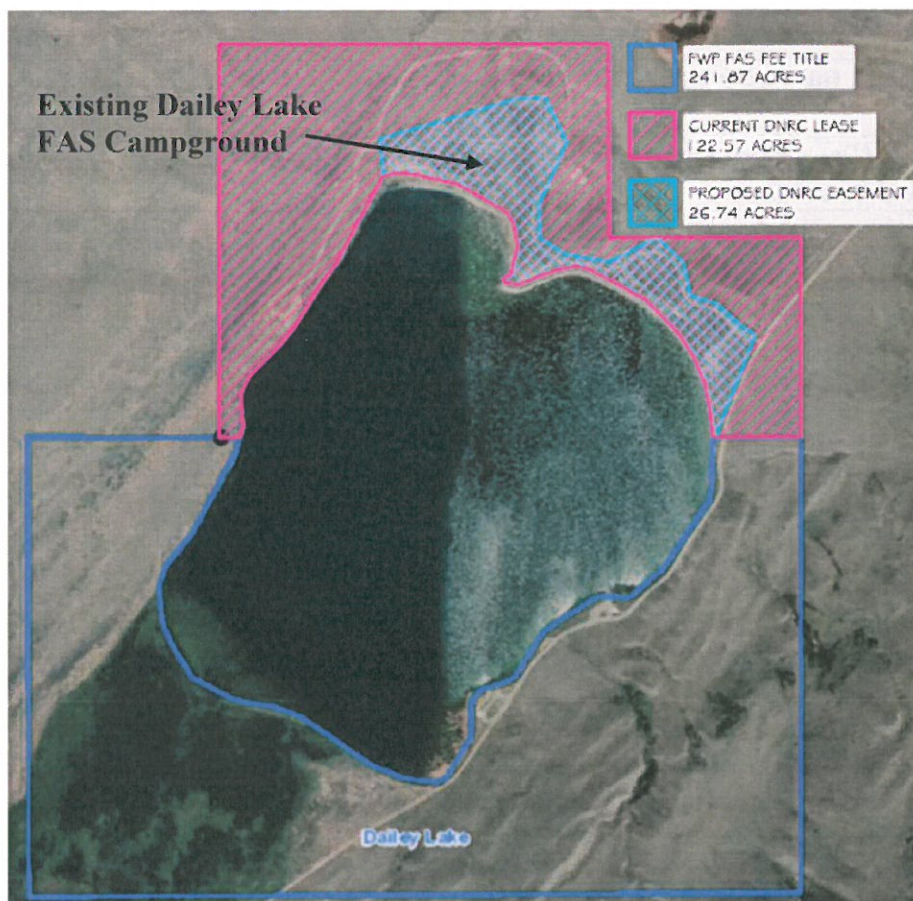


Figure 2. Daily Lake Parcel Map and Concept Plan.

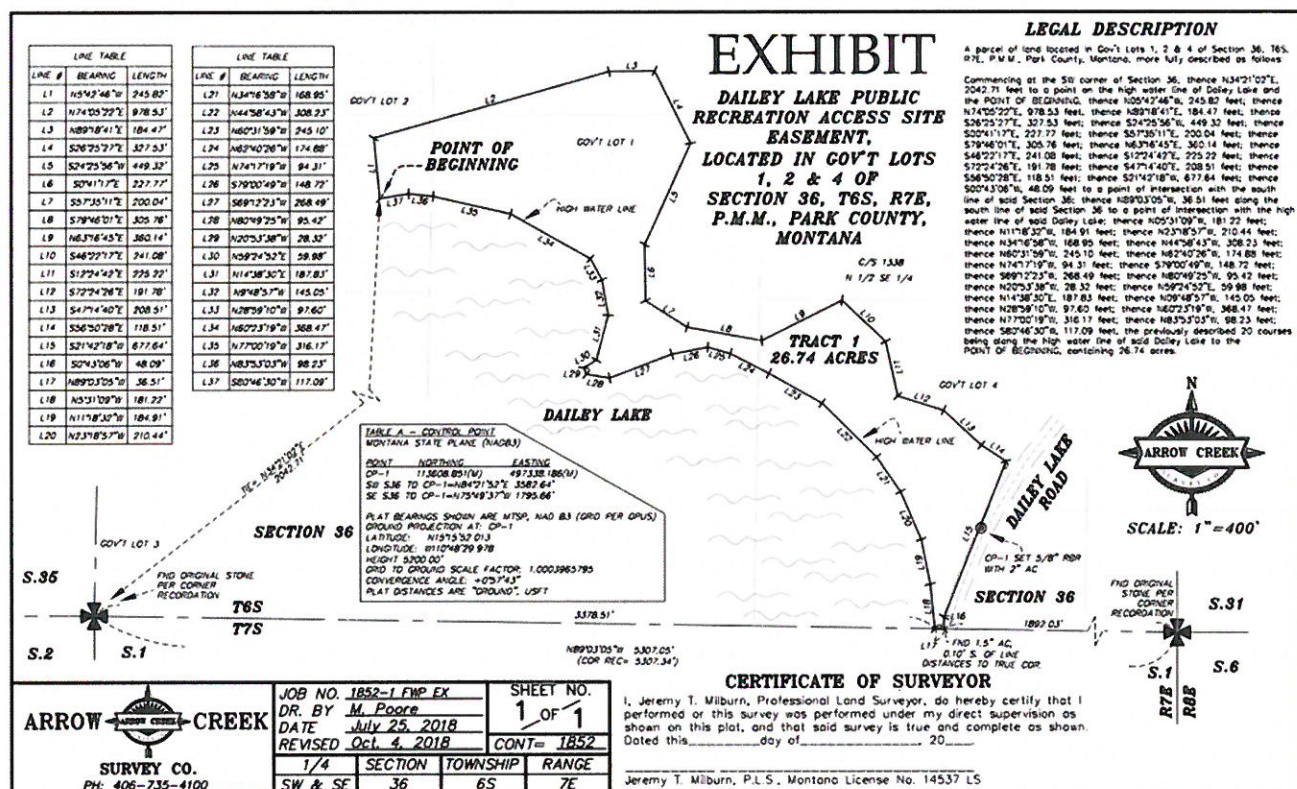


Figure 3—Dailey Lake FAS Survey, October 2018.

9. Description of Project:

FWP proposes to obtain a perpetual easement from DNRC for approximately 27 acres of Montana School Trust Land on Dailey Lake in order to obtain permanent access to Dailey Lake FAS. Boundary fencing would also be installed.

10. List any Other Local, State, or Federal Agency that has Overlapping or Additional Jurisdiction:

(a) **Permits:** Permits would be filed at least 2 weeks prior to project start.

<u>Agency Name</u>	<u>Permits</u>
	No permits needed

(b) **Funding:**

<u>Agency Name</u>	<u>Funding Amount</u>
FWP General License Fund	\$107,000

11. History of the Planning and Scoping Process, and Any Public Involvement:

The public will be notified in the following manners to comment on the Dailey Lake FAS Perpetual Easement and the Proposed Action and alternatives:

- Two public notices in each of these papers: *the Livingston Enterprise and the Helena Independent Record*.
- Public notice on the FWP web page: <http://fwp.mt.gov>.
- Draft EA's will be available at the FWP Region 3 Headquarters in Bozeman and the FWP State Headquarters in Helena.
- A news release will be prepared and distributed to a standard list of media outlets interested in FWP Region 3 issues.

This level of public notice and participation is appropriate for a project of this scope having limited impacts, many of which can be mitigated.

If requested within the comment period, FWP will schedule and conduct a public meeting on this Proposed Action.

12. Duration of comment period:

The public comment period will extend for (30) thirty days. Written comments will be accepted until 5:00 p.m., March 29, 2019 and can be emailed to JPape@mt.gov or mailed to the addresses below:

Dailey Lake FAS Perpetual Easement
Montana Fish, Wildlife & Parks, Region 3
1400 South 19th Ave
Bozeman, MT 59718

13. List of Agencies Consulted/Contacted During Preparation of the EA:

- Montana Fish, Wildlife & Parks
- Montana Natural Heritage Program

14. Names, Address, and Phone Number of Project Sponsor:

Jay Pape, FWP Region 3 FAS Manager, 1400 South 19th Ave, Bozeman, MT 59718; (406) 994-5592

15. Other Pertinent Information:

There are 18 FAS's managed by FWP in the upper Yellowstone River drainage and along the 62-mile stretch of the Yellowstone River between Queen of the Waters FAS near Gardiner and Mayors Landing FAS near Livingston. Dailey Lake FAS is located on Dailey Lake 2 miles east of the Yellowstone River, with Point of Rocks FAS (river mile 537) as the closest upstream, developed access, Emigrant FAS (river mile 524) as the closest downstream access, and Sunny Brook Springs FAS on Big Creek located approximately 4 miles from Dailey Lake. The proposed perpetual easement for Dailey Lake FAS would provide a permanent, convenient location for launching and taking out rafts, canoes, kayaks, and drift boats for a very popular and heavily used site. Providing additional sites allows greater dispersion of anglers and recreationists by spreading out use and reducing crowding and potential resource damage for the very popular Paradise Valley.

PART II. IDENTIFICATION OF THE PREFERRED ALTERNATIVES

Alternative A, the Proposed Alternative, and Alternative B, the No Action Alternative, were considered.

Alternative A (Proposed Alternative), as described in Part I, paragraph 9 (Description of Project), is to purchase a perpetual easement on approximately 27 acres of Montana School Trust land along Dailey Lake for the continued operation of Dailey Lake FAS. A perpetual easement would allow FWP to pay a one-time fee for the property that would not be subject to annual fee increases. Doing so would secure public access into the foreseeable future. There are beneficial consequences to acceptance of the Proposed Alternative.

Alternative B (No Action Alternative) - Under the No Action Alternative, a perpetual easement would not be purchased, and a lease would need to be renewed and renegotiated every ten years. Continuing to lease the land leaves FWP vulnerable to future increases in DNRC lease fees that may jeopardize the future of Dailey Lake FAS. If FWP chose not to renew the lease, FWP's investment in FAS facilities would be lost and the public would lose a convenient and popular access to Dailey Lake. The No Action Alternative would have no significant or potentially negative environmental impacts or consequences.

Description and analysis of reasonable alternatives (including the no action alternative) to the proposed action whenever alternatives are reasonably available and prudent to consider and a discussion of how the alternatives would be implemented: The Proposed Alternative and the No Action Alternative were considered. One additional alternative was considered and evaluated but was not deemed to be financially prudent or reasonable. Neither the Proposed Alternative nor the No Action Alternative would have significant negative environmental or potentially negative consequences.

Describe any Alternatives considered and eliminated from Detailed Study:

None. Only the Proposed Alternative and the No Action Alternative were considered. There was no other alternative that was deemed reasonably available or prudent. Neither the Proposed Alternative nor the No Action Alternative would have significant negative environmental or potentially negative consequences.

List and explain proposed mitigating measures (stipulations): None

PART III. ENVIRONMENTAL REVIEW

Abbreviated Checklist – The degree and intensity determines the extent of Environmental Review. An abbreviated checklist may be used for those projects that are not complex, controversial, or are not in environmentally sensitive areas.

Table 1. Potential impact on physical environment.

Will the proposed action result in potential impacts to:	Unknown	Potentially Significant	Minor	None	Can Be Mitigated	Comments Below
1. Unique, endangered, fragile, or limited environmental resources				X		1
2. Terrestrial or aquatic life and/or habitats				X		2
3. Introduction of new species into an area				X		3
4. Vegetation cover, quantity & quality				X		4
5. Water quality, quantity & distribution (surface or groundwater)				X		5
6. Existing water right or reservation				X		6
7. Geology & soil quality, stability & moisture				X		7
8. Air quality or objectionable odors				X		8
9. Historical & archaeological sites				X		9
10. Demands on environmental resources of land, water, air & energy				X		10
11. Aesthetics				X		11

1. No designated critical habitat for any wildlife species is located near the proposed project. According to the MNHP, observations of bald eagle (listed as DM by the USFWS) have been recorded in the vicinity of the proposed project. Grizzly bear (listed as PS: LT; XN; DM by USFWS) have also been increasingly sighted at and near Daily Lake. The proposed project would have no impact on this species since the lake is already used as a FAS, campground, and WMA.

2. The proposed project would have no long or short-term impacts on wildlife and no impact on native plant species. Resident or transient wildlife may temporarily leave the area while visitors are present but would return when visitors leave.

3. No new animal or plant species would be introduced to the site as a result of the proposed project.

4. Because the FAS has been established on previously disturbed land, the project would have no impact on the quantity or quality of vegetation. The proposed project would have no impacts on the emergent wetland running through the center of the FAS and FWP would continue to manage the area to maintain and improve the wetland community on the FAS.

5. The proposed purchase would have no impact on water quality, quantity, and distribution.
6. The proposed purchase would have no impact on water rights or reservation.
7. The proposed purchase would not affect existing soil patterns, structures, productivity, fertility, erosion, compaction, or instability. Soil and geologic substructure would remain stable during and after the proposed work.
8. The proposed purchase would have no impact on air quality in the vicinity of the Dailey Lake FAS and would not result in any discharge that could conflict with federal or state air quality regulations.
9. Because there would be no soil disturbing activities resulting from the purchase, the proposed project would have no impact on cultural resources.
11. Because the area is already used as a FAS and the project area is small, the proposed project would have no additional impact on the aesthetics of the area.

Table 2. Potential impacts on human environment.

Will the proposed action result in potential impacts to:	Unknown	Potentially Significant	Minor	None	Can Be Mitigated	Comments Below
1. Social structures and cultural diversity				X		
2. Changes in existing public benefits provided by wildlife populations and/or habitat				X		
3. Local and state tax base and tax revenue				X		
4. Agricultural production				X		
5. Human health				X		
6. Quantity & distribution of community & personal income				X		
7. Access to & quality of recreational activities				X		
8. Locally adopted environmental plans & goals (ordinances)				X		

9. Distribution & density of population and housing				X		
10. Demands for government services				X		
11. Industrial and/or commercial activity				X		

The proposed purchase would have no impact on social structures and cultural diversity; public benefits provided by wildlife; tax revenues; agricultural production; human health; community and personal income; recreation, environmental ordinances; population density and housing; government services; and commercial activity.

PART IV. NARRATIVE EVALUATION AND COMMENT

All pertinent or potential impacts of the project have been reviewed, discussed, and analyzed. The project reviewed is not complex, controversial, or located in an environmentally sensitive area. Dailey Lake FAS is already established on DNRC Montana School Trust Land that together with the insignificant environmental effects of the Proposed Action indicates that this should be considered the final version of the environmental assessment. There are no significant environmental or economic impacts associated with the proposed alternative.

PART V. ENVIRONMENTAL CONSEQUENCES

Does the proposed action involve potential risks or adverse effects, which are uncertain but extremely harmful if they were to occur? No

Does the proposed action have impacts that are individually minor, but cumulatively significant or potentially significant? The Proposed Action has no impacts and it was determined that there are no significant or potentially significant cumulatively impacts. Cumulative impacts have been assessed considering any incremental impact of the proposed action when they are combined with other past, present, and reasonably foreseeable future actions, and no significant impacts or substantially controversial issues were found. There are no extreme hazards created with this project and there are no conflicts with the substantive requirements of any local, state, or federal law, regulation, standard or formal plan.

Recommendation and justification concerning preparation of EIS:

There are no significant environmental or economic impacts associated with the proposed alternative; therefore, an EIS is not required.

PART VI. EA CONCLUSION SECTION

Individuals or groups contributing to, or commenting on, this EA:

- Allan Kuser, FWP FAS Coordinator, PO Box 200701, Helena, MT 59620. (406) 444-7885
- Jay Pape, FWP Region 3 FAS Manager, 1400 South 19th Ave, Bozeman, MT 59718. (406) 994-5592
- MT Fish Wildlife and Parks

EA prepared by:

Andrea Darling, Darling Natural Resource Consulting, Montana City, MT 59634

Date Completed:

February 15, 2019

Describe public involvement, if any:

This draft EA will be advertised on FWP's web site and through a legal ad in the *Livingston Enterprise, Livingston, MT* announcing a public comment period. A press release will also announce the project and comment period.